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Wei Fong, IB Docket No. 97-142 1of3In the Matter of
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

[IB Docket No. 97-142]

Comment on rules and policies on foreign participation in the
U.S. Telecommunications market. IB Docket No. 97-142

Comments of Wei Fong, Pacific Communications Services Co.,
LTD.,

20 Floor, 169, Jen ai Road, Sec. 4, Taipei, 106, Taiwan.

July 3, 1997

I file these comments on July 3, 1997, in the
FCC's rules and policies on foreign participation in the U.S.
telecommunications market. IB Docket No. 97-142.

After the WTO Basic Telecom Agreement, countries representing
over 95 percent of the world's telecommunications revenues
will be open to competition. As a result, most foreign carriers,
even they are in countries that are not yet WTO member, should
have far less market power as a result of they would be subject
to meaningful disciplines to prevent abuse of market power
in the form of interconnection obligations and other
competitive safeguards to which the world have committed.

Liberalization of the international service markets of WTO
Member countries has increased the pressure on Taiwan to
reform its basic telecom market and its accounting rate at
an accelerating pace. The incentive of being allowed to
participate in the U.S. market will also encourage the
government of Taiwan to lift de jure and de facto barriers
to U.S. investment.

The fundamental marketplace changes should allow FCC to lower
foreign carrier entry barrier while still promoting vital
public interest objectives. Adopting an open entry policy for
foreign-affiliated carriers will introduce new sources of
competition, which will produce lower prices and greater
service choice and innovation for American consumers.

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In addition, by making foreign carrier entry into the U.S. market easier, will also make it easier for both U.S. and foreign carriers to achieve global strategies that involve efficient and flexible routing of international traffic. Because the U.S. is the largest hub for international traffic, these strategies will not only benefit U.S. consumers, but will shape the dynamics of the global telecommunications market.

FCC can continue to exercise their authority to promote important public interest objectives by regulatory mechanisms, benchmark safeguards and stricter reporting requirements. We believe that a flexible set of tools that generally will apply after an authorization has been granted will best serve to promote free and fair competition in the U.S. international telecommunications market.

In the light of the new competitive environment, we propose now to consider all of these factors in reassessing FCC's current rules.

1. Allow 100% foreign direct investment in U.S. common carriers.
2. Waive the effective competitive opportunities analysis (ECO) as the basis for Section 214 application filed by foreign carriers to enter the U.S. international market.
3. Waive the equivalency analysis as the basis for authorizing all U.S. carriers to provide switched, basic services over facilities-based or resold private lines between the U.S. and other countries.
4. Waive the ECO test for future applications as part of FCC's public interest analysis under Section 310(b)(4) to allow foreign investment into U.S. wireless markets.

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We believe that reducing these unnecessary regulations will have the beneficial effect of lowering carrier costs. They will also help minimize tacit coordination of prices and facilitate carriers' ability to make rapid, efficient responses to changes in demand and cost.

We also anticipate that reduced regulatory burdens will have a beneficial impact on consumers by allowing carriers to respond more rapidly to competitive pressures to lower prices and improve the quality of service.

Among the most important of these is the U.S. commitment of the Telecommunications Act of 1996 to ensure open and fair competition in the U.S. telecommunications market.

Submitted by:

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